ing instructions the collecting banks arc required to remit the day's collections at the receiving branches for credit to the Government accounts within a maximum period of seven days from the date of collection.

Though a random study has not been conducted by Reserve Bank of India and the Controller General of Accounts to ascertain the annual loss suffered by Government due to delay in handling of Government accounts by nationalised banks becuase of increase in revenue collection and large number of bank branches handling the work some delays had occurred in the past in crediting of tax collections to Government accounts. RBI and the Goveinment have issued series of instructions to the banks to ensure that the Government collections arc remitted to th«s Central Accounting Section of the **RBI** Nagpur within the stipulated period of seven days. The procedures for reporting and accounting of Government duos under Central Board of Excise and Customs and Central Board of Direct Taxes have been revised with -effect from 1st April, 1986 and 1st October, 1988 respectively. In the revised procedure -number of improvements have been effected. The new procedures have helped in speedy remittances of Government collections. Government have also set up a Standing Committee under the Chairmanship of Controller General of Accounts to review the procedural aspects of collections, accounting and reconciliation of revenue receipts of Government on an "ongoing" ba^is for suggesting suitable improvement etc. Instructions have also been issued that interest at the rate of 5 per cent per annum will be charged on remittances representing tax collection of Rs. one crore and above if the period of delay exceed one month.

With a view to ensure prompt credit of taxes to Government account and also to ensure that banks follow the procedure prescribed by the Government in the conduct of Government business, the Reserve Bank of India undertakes inspections of public sector banks conducting Government business. A test inspection of public sector banks is also being conducted by the office of the Controller General of Accounts to detect thes cases of delayed credits to Government accounts.

Smuggling of Gold and Silver

329. SHRI KRISHNA KUMAR BIRLA :
SHRI MURLIDHAR CHANDRAKANT BHANDARE :

Will the Minister of FINANCE bo pleased to state :

(a) whether it is a fact that during the past two years there has been substantial increase in the smuggling of gold and silver into the country;

(b) if so, what is thi percentage of rise in the smuggling of gold and silver at the end of 1989 as compared to 1987 and 1988 ;

(c) what is the estimated value of gold and silver seized by Government at the end of 1989 and so far during 1990 and how docs it compare with the seizure during 1987 and 1988;

(d) what are the main causes for the rise in the smuggling of gold and silver and what has been its impact on the domestic prices; and

(c) what measures have been taken by Government to strengthen anti-smuggling drive?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE) : (a) to (c) It is not feasible to say whether the smuggling of gold and

silver has increased during the last two years. However the quantity and value of gold and silver seized for the years 1987, 19P8, 1989 and 1990 (upto February) arc given in the table below. :

Year	Gold		Silver	
	Quantity (in kgs)	Value (Rs. in lakhs)	Quantity (in kgs)	Value (Rs. in lakhs)
1987	. 2254- 767 .	6578	16,994	906
1988	6093-785 .	20050	16,992	1056
1989	8214- 816 .	25960	99,322	6757
1990 (upto February)	535	1968	57,488	4049

♦Figures are provisional

The value of seizures of gold in 1989 when compared to the value of seizures during 1987-198.8 show an increase of 264'33% and 34.80% respectively. Similarly, the value of seizures of silver in 1988 when compared to the value of the seizures during 1987 and 1989 have shown in increase of 484.45% and 484.52% respectively.

(d) The main reason for smuggling of gold and silver into the country is large domestic demand resulting in a wide differential between the international and domestic prices providing an incentive to their smuggling into the country. Since smuggling is a clandestine activity, it is not feasible to estimate the quantity of gold and silver smuggled into the country and consequently it is not feasible to estimate the impact of their smuggling on domestic prices. However, the domestic prices would show a downward trend in case the quantity of gold and silver smuggled into the country exceeds the domestic demand.

(e) Anti-smuggling drive throughout the country has been intensified. The anti-smuggling machinery particularly in vulnerable areas of seacoast, land borders and the international seaports and airports remain alert to check and combat smuggling of contraband. Sophisticated anti-smuggling equipment such as X-ray baggage machines, metal detectors arc utilised for prevention and detection of gold concealed on person of passengers and their baggagc/incargo. Close co-ordination is maintained with all the concerned agencies in the prevention and detection of smuggling of contraband.

Handling of incoming MMTC cargo at North Delhi godown

330. SHRI KRISHNA KUMAR BIRLA : Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the surveyors had recently reported to the MMTC regarding the nefarious activities of its employees in pilfering and manipulation of weight in connivance with the handling agent of incoming MMTC cargo at a North Delhi godown;

(b) if so what are the detail thereof;